

TOWNSHIP OF BREEN
(Dickinson)
AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL FINANCIAL INFORMATION

March 31, 2004

AUDITING PROCEDURES REPORT

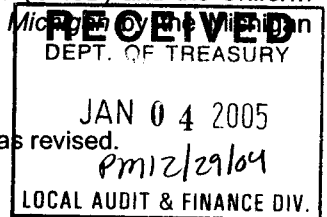
Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <i>Township of Breen</i>	County <i>Dickinson</i>
Audit Date <i>3-31-04</i>	Opinion Date <i>12-17-04</i>	Date Accountant Report Submitted to State: <i>12-28-04</i>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan, as required by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.		✓	
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <i>Anderson, Tackman & Co. P.C.</i>			
Street Address <i>PO Box 828</i>	City <i>Iron Mountain</i>	State <i>MI</i>	ZIP <i>49801</i>
Accountant Signature <i>[Signature]</i> , CPA			

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ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

A Regional Firm with Offices in Michigan and Wisconsin

Principals - Iron Mountain:
L. Robert Schaut, CPA
David J. Johnson, CPA
Shane M. Ellison, CPA

Member of:
Private Companies Practice Section
American Institute of Certified
Public Accountants

INDEPENDENT AUDITORS' REPORT

Township Board
Township of Breen
Foster City, Michigan

We have audited the accompanying financial statements of the Township of Breen, Michigan, as of and for the year ended March 31, 2004 as listed in the table of contents. These financial statements are the responsibility of the Township of Breen, Michigan, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 'Government Auditing Standards', issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Breen, Michigan, as of March 31, 2004, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 17, 2004 on our consideration of the Township of Breen, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented as supplemental information and are not a required part of the financial statements of the Township of Breen, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

Anderson, Tackman & Co. P.C.

ANDERSON, TACKMAN & COMPANY, P.L.C.
Certified Public Accountants

Iron Mountain, Michigan
December 17, 2004

TOWNSHIP OF BREEN

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 2004

	Governmental Fund Type	Fiduciary Fund Type
	<u>General</u>	<u>Agency</u>
ASSETS:		
Cash	\$ 218,686	\$ 8
Taxes receivable	11,643	-
Other receivable	450	-
Fixed assets	-	-
TOTAL ASSETS	<u>\$ 230,779</u>	<u>\$ 8</u>
LIABILITIES:		
Accounts payable	\$ 616	\$ 8
FUND BALANCE AND OTHER CREDITS:		
Investment in general fixed assets	-	-
Fund balance:		
Unreserved	<u>230,163</u>	-
TOTAL FUND BALANCE AND OTHER CREDITS	<u>230,163</u>	-
TOTAL LIABILITIES, FUND BALANCE AND OTHER CREDITS	<u>\$ 230,779</u>	<u>\$ 8</u>



ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

The accompanying notes to financial statements are an integral part of this statement.



<u>Account Group</u>	<u>Totals (Memorandum Only)</u>
General	
<u>Fixed Assets</u>	<u>2004</u>
\$ -	\$ 218,694
-	11,643
-	450
<u>156,819</u>	<u>156,819</u>
<u>\$ 156,819</u>	<u>\$ 387,606</u>
 \$ -	 \$ 624
 156,819	 156,819
<u>-</u>	<u>230,163</u>
 <u>156,819</u>	 <u>386,982</u>
<u>\$ 156,819</u>	<u>\$ 387,606</u>

TOWNSHIP OF BREEN

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE**

ALL GOVERNMENTAL FUND TYPES

For the Year Ended March 31, 2004

	Governmental <u>Fund Type</u>
	<u>General</u>
REVENUES:	
Taxes	\$ 77,943
State shared revenue	37,001
Charges for services:	
Property tax administration	4,052
Garbage bag sales	5,217
Interest	1,655
Other	<u>8,991</u>
TOTAL REVENUES	<u>134,859</u>
EXPENDITURES:	
Supervisor	2,578
Clerk	2,358
Treasurer	9,879
General government	1,605
Township board	1,243
Town hall	7,057
Board of review	434
Assessor	6,287
Sanitation	11,163
Elections	200
Public safety	15,898
Zoning board	940
Public works	24,448
Cemetery	3,032
Miscellaneous	<u>13,924</u>
TOTAL EXPENDITURES	<u>101,046</u>
EXCESS OF REVENUES OVER EXPENDITURES	33,813
FUND BALANCE, BEGINNING OF YEAR	<u>196,350</u>
FUND BALANCE, END OF YEAR	<u>\$ 230,163</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF BREEN

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended March 31, 2004

	<u>General</u>		
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 82,540	\$ 77,943	\$ (4,597)
State shared revenue	32,724	37,001	4,277
Charges for services:			
Property tax administration	3,783	4,052	269
Garbage bag sales	6,722	5,217	(1,505)
Interest	2,215	1,655	(560)
Other	<u>4,891</u>	<u>8,991</u>	<u>4,100</u>
TOTAL REVENUES	<u>132,875</u>	<u>134,859</u>	<u>1,984</u>
EXPENDITURES:			
Supervisor	2,900	2,578	322
Clerk	2,700	2,358	342
Treasurer	8,700	9,879	(1,179)
General government	5,750	1,605	4,145
Township board	3,500	1,243	2,257
Town hall	8,500	7,057	1,443
Board of review	1,500	434	1,066
Assessor	7,750	6,287	1,463
Sanitation	12,000	11,163	837
Elections	1,000	200	800
Public safety	14,954	15,898	(944)
Zoning board	1,150	940	210
Public works	22,400	24,448	(2,048)
Cemetery	6,000	3,032	2,968
Board of appeals	250	-	250
Unallocated	10,000	-	10,000
Miscellaneous	<u>17,000</u>	<u>13,924</u>	<u>3,076</u>
TOTAL EXPENDITURES	<u>126,054</u>	<u>101,046</u>	<u>25,008</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ <u>6,821</u>	33,813	\$ <u>26,992</u>
FUND BALANCE, BEGINNING OF YEAR		<u>196,350</u>	
FUND BALANCE, END OF YEAR		\$ <u>230,163</u>	

The accompanying notes to financial statements are an integral part of this statement.



TOWNSHIP OF BREEN

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The Township of Breen is a Township located in Dickinson County, Michigan. The Township operates under an elected Board.

The accounting policies of the Township of Breen conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

THE FINANCIAL REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America, the financial statements of the Township of Breen contain all of the Township's funds. There are no other governmental units within the Township that are controlled by or dependent upon the Township's Board. Control by or dependence on the Township was determined on the basis of appointment of the governing body or governing authority budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township, obligation of the Township to finance any deficits that may occur, surplus funds, and scope of public service.

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which are considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent, and the means by which spending activities are controlled. The various funds are grouped in the financial statements into three broad fund categories and four generic fund types as follows:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.



TOWNSHIP OF BREEN

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND TYPES (continued)

Fiduciary Funds - Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Agency Fund - The agency is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets (expendable available financial resources) and current liabilities (those expected to be liquidated with expendable financial resources) are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statement present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. A public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets. All fixed assets are valued at the insurance replacement cost, because the actual or estimated historical cost could not be determined. Donated fixed assets are valued at their estimated fair value on the date donated.

The General Fixed Assets Account Group is not a "fund". Its purpose is related only to the measurement of financial position. It is not involved with measurement of results of operations.



TOWNSHIP OF BREEN

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds, expendable trust funds, and agency funds are accounted for using the modified accrual basis. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Significant revenues susceptible to accrual include payments in lieu of taxes, state and federal sources, and intergovernmental revenues. Other revenue sources such as licenses, permits, charges for services, sales, fees, fines, rentals, and others are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are not accrued in the governmental fund types.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred with certain exceptions such as interest on long-term debt which is generally recognized when due.

BUDGETARY DATA

The Township follows these procedures in establishing the budgetary data

- a. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
- b. The Township Board reviews the proposed budget, which includes proposed expenditures and the means of financing them.
- c. Pursuant to the statute, the proposed budget as approved by the Board, is submitted to the Township at a public hearing, at which time public comment is invited. The final budget is formally adopted at the next board meeting.
- d. The Board reviews the budget quarterly during the fiscal year and makes formal amendments when appropriate. The budget was amended once during the fiscal year.
- e. Budget appropriations lapse at the end of the fiscal year.



TOWNSHIP OF BREEN

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY TAXES

Property taxes are levied on assessed values of property located in the Township and become an enforceable lien on the property. Assessed values are established annually on December 31 and equalized by the State. Township property taxes are levied on July 1, and are payable without a penalty through September 15. All unpaid taxes become delinquent on March 1 of the following year. Property taxes are recognized as revenue in the year for which levied, in accordance with NCGA Interpretation 3 (Revenue Recognition - Property Taxes).

The Township collects its own current property taxes. Delinquent taxes are collected by Dickinson County and one payment made to the Township for all delinquents as of March 1 from a tax revolving fund.

TOTAL COLUMNS ON COMBINED BALANCE SHEETS - ALL FUNDS

The total columns on the combined statements of this report are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation which requires that inter-fund eliminations be made in the aggregation of this data.

CASH AND INVESTMENTS

For the purpose of the statement of cash flows, cash is defined as checking, certificates of deposits and savings accounts. Investments consist of the certificates of deposit with a term greater than 90 days.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - CASH

CASH DEPOSITS

At March 31, 2004, the book value of the Township's demand deposits and other cash equivalents was \$218,694 with a corresponding bank balance of \$222,130. Qualifying deposits are insured by the Federal Deposit Insurance Corporation up to \$100,000. \$122,130 of the Township's deposits was not covered by Federal Depository Insurance.



TOWNSHIP OF BREEN

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

(Continued)

NOTE C - PROPERTY, PLANT AND EQUIPMENT

A summary of the changes in the general fixed assets account groups is as follows:

	Balance 03/31/03	Additions	Deductions	Balance 03/31/04
Land and buildings	\$ 77,240	\$ 1,803	\$ -	\$ 79,043
Furniture, Fixtures & Equipment	<u>75,356</u>	<u>2,420</u>	<u>-</u>	<u>77,776</u>
TOTAL FIXED ASSETS	<u>\$152,596</u>	<u>\$ 4,223</u>	<u>\$ -</u>	<u>\$156,819</u>

NOTE D - BUDGET OVER EXPENDITURES

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

<u>Fund/Activity</u>	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variances</u>
General Fund:			
Treasurer	\$ 9,700	\$ 9,879	\$ (1,179)
Public safety	\$ 14,954	\$ 15,898	\$ (944)
Public works	\$ 22,400	\$ 24,448	\$ (2,048)



TOWNSHIP OF BREEN

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

(Continued)

NOTE E - USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE F - PENSION PLAN

The Township has a defined contribution pension plan covering all full-time employees. The Township contributes an amount of each employee's annual salary to the plan. Pension expense for the year ended March 31, 2004 was \$1,255.

ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



SUPPLEMENTAL FINANCIAL INFORMATION

TOWNSHIP OF BREEN

GENERAL FUND
DETAILED STATEMENT OF REVENUES

For the Year Ended March 31, 2004

REVENUES:

TAXES:

Property tax	\$ 66,121
Swampland tax	<u>11,822</u>

TOTAL TAX	<u>77,943</u>
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STATE:

State shared revenues	<u>37,001</u>
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CHARGES FOR SERVICES:

Property tax administration	4,052
Garbage bag sales	<u>5,217</u>

TOTAL CHARGES FOR SERVICES	<u>9,269</u>
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INTEREST	<u>1,655</u>
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OTHER

Grave openings	850
Miscellaneous	1,412
Lot sales	100
Liquor licenses	399
Zoning	220
Fire number signs	810
Waucedah fire protection	1,919
Hall rental	450
Donations	1,000
Reimbursement	<u>1,831</u>

TOTAL OTHER	<u>8,991</u>
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TOTAL REVENUES	<u>\$ 134,859</u>
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ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF BREEN

GENERAL FUND
DETAILED STATEMENT OF EXPENDITURES

For the Year Ended March 31, 2004

EXPENDITURES:

SUPERVISOR:

Salaries \$ 2,578

CLERK:

Salaries 2,256
Travel and per diem 59
Supplies 43

TOTAL CLERK

2,358

TREASURER:

Salaries 7,503
Travel and per diem 354
Supplies 1,074
Miscellaneous 948

TOTAL TREASURER

9,879

GENERAL GOVERNMENT:

Payroll taxes 1,605

TOWNSHIP BOARD:

Salaries 894
Membership fees 349

TOTAL TOWNSHIP BOARD

1,243

ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF BREEN

GENERAL FUND
DETAILED STATEMENT OF EXPENDITURES

For the Year Ended March 31, 2004
(Continued)

TOWN HALL:

Salary	766
Utilities	2,078
Supplies	255
Reimbursement	75
Repairs	<u>3,883</u>

TOTAL TOWN HALL

7,057

BOARD OF REVIEW:

Salary	<u>434</u>
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ASSESSOR:

Contract labor	5,400
Advertising	398
Supplies	<u>489</u>

TOTAL ASSESSOR

6,287

SANITATION:

Salary	1,718
Contract labor	6,593
Land rental	780
Repairs	<u>2,072</u>

TOTAL SANITATION

11,163

ELECTIONS:

Salaries	<u>200</u>
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The accompanying notes to financial statements are an integral part of this statement.



TOWNSHIP OF BREEN

GENERAL FUND
DETAILED STATEMENT OF EXPENDITURES

For the Year Ended March 31, 2004
(Continued)

PUBLIC SAFETY:

Salary	762
Supplies	3,745
Utilities	2,708
Contracted services	6,205
Liquor law enforcement	398
Repairs	2,080

TOTAL PUBLIC SAFETY

15,898

ZONING BOARD:

Salaries	940
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PUBLIC WORKS:

Highways and streets	22,316
Street lighting	2,132

TOTAL PUBLIC WORKS

24,448

CEMETERY:

Salaries	1,203
Supplies	16
Repairs	600
Utilities	363
Grave openings	850

TOTAL CEMETERY

3,032

MISCELLANEOUS:

Insurance	12,643
Pension	1,255
Community promotion	26

TOTAL MISCELLANEOUS

13,924

TOTAL EXPENDITURES

\$ 101,046

The accompanying notes to financial statements are an integral part of this statement.



TOWNSHIP OF BREEN

CURRENT TAX COLLECTION FUND

STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS

For the Year Ended March 31, 2004

ASSETS:

Cash-checking

\$ 8

LIABILITIES

Due to Township

\$ 8

**ANDERSON, TACKMAN
& COMPANY, P.L.C.**
CERTIFIED PUBLIC ACCOUNTANTS



The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF BREEN
CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended March 31, 2004

	March 31, <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	March 31, <u>2004</u>
ASSETS:				
Cash	\$ <u>-</u>	\$ <u>437,243</u>	\$ <u>437,235</u>	\$ <u>8</u>
LIABILITIES:				
Due to County	\$ -	\$ 150,914	\$ 150,914	\$ -
Due to School	-	185,261	185,261	-
Due to Township	-	59,507	59,499	8
Due to I.S.D.	-	24,052	24,052	-
Due to State of MI	-	11,865	11,865	-
Due to Tri-Township Ambulance	<u>-</u>	<u>5,644</u>	<u>5,644</u>	<u>-</u>
	\$ <u>-</u>	\$ <u>437,243</u>	\$ <u>437,235</u>	\$ <u>8</u>

ANDERSON, TACKMAN
 & COMPANY, P.L.C.
 CERTIFIED PUBLIC ACCOUNTANTS



The accompanying notes to financial statements are an integral part of this statement.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Township Board
Township of Breen
Foster City, Michigan

We have audited the financial statements of the Township of Breen, Michigan as of and for the year ended March 31, 2004, and have issued our report thereon dated December 17, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township of Breen, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards".

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Breen, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Township of Breen, Michigan, in a separate letter dated December 17, 2004.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson Tackman & Co. PLLC

ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants

Iron Mountain, Michigan
December 17, 2004

